

Assistant Secretary of the Army Financial Management and ~~Comptroller~~

Joint Reconciliation Program



Data Integrity of Army Personal Property

November 20, 2003



Financial Reporting Overview

- Army prepares quarterly financial statements for OSD, OMB and Congress.
- The data reported in the Army's financial statements presents the annual performance and year-end values that are subject to external audit.
- The objectives of financial reporting include:
 - ✓ Providing reliable and relevant financial data to Army leaders and decision makers.
 - ✓ Providing reasonable knowledge of the Army's business and economics.
 - ✓ Providing comparable and consistent information.



Financial Reporting Personal Property

- Personal Property is reported into the Army's financial statements from four systems:
 - ✓ Army Medical Department Property Accounting System (AMEDDPAS) solely used by MEDCOM
 - ✓ Automated Personal Property Management System (APPMS) solely used by USACE
 - ✓ Defense Medical Logistics Standard Support (DMLSS) is currently replacing AMEDDPAS
 - ✓ Defense Property Accountability System (DPAS) used by all MACOMs except MEDCOM and USACE
- As of 30 SEP 2003, Army Personal Property was reported at an acquisition value of \$4.2B with a depreciated book value of \$1.1B



Financial Reporting Issues Personal Property

- Capital assets not being depreciated
- Assets with erroneous residual values
- Lack of visibility of Government furnished equipment
- Lack of visibility of internal use software
- Lack of annual inventory of assets

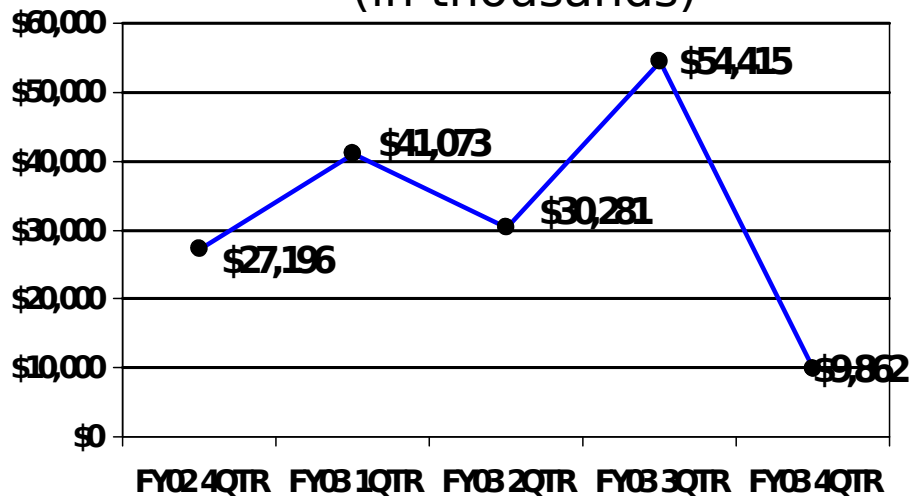


Financial Reporting Metrics Personal Property

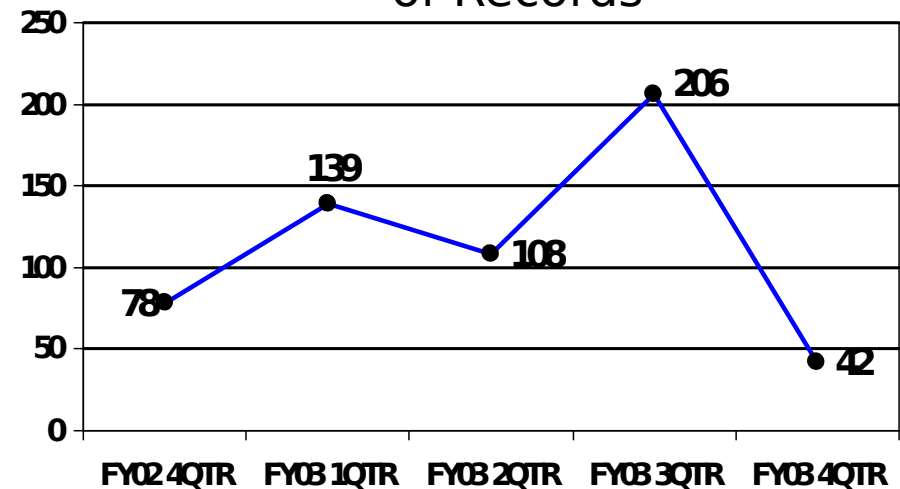
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Capital Assets Not Being Depreciated

Value
(in thousands)



Number
of Records



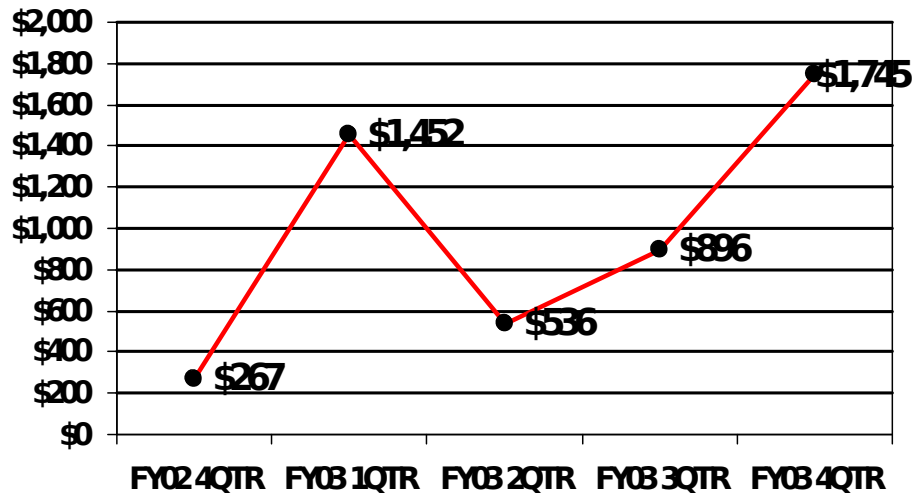


Financial Reporting Metrics Personal Property

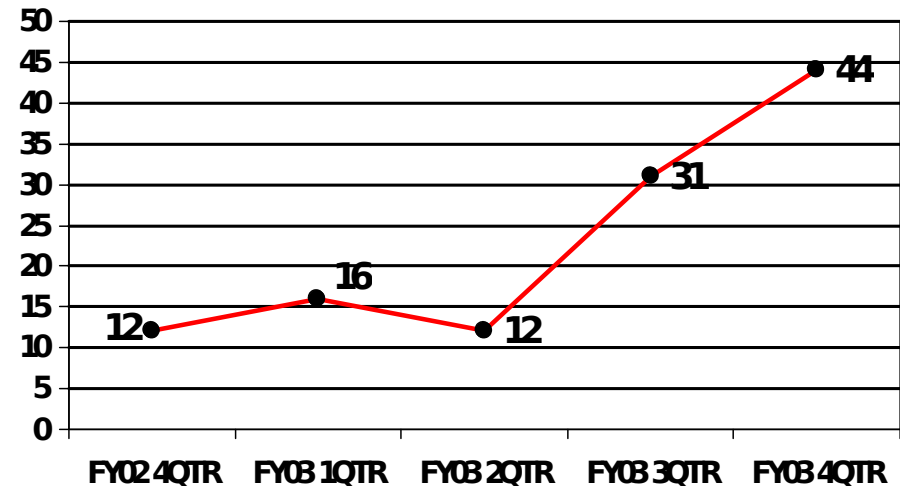
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Residual Value on Capital Assets

Value
(in thousands)



Number
of Records



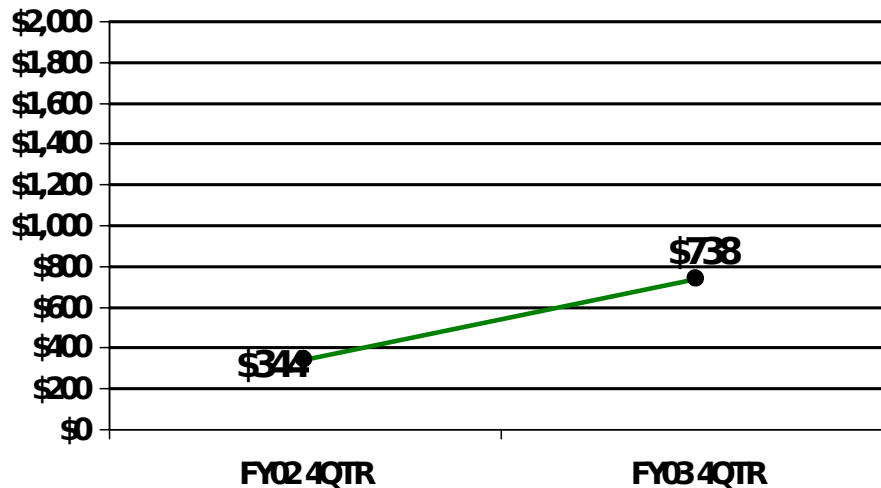


Financial Reporting Metrics Personal Property

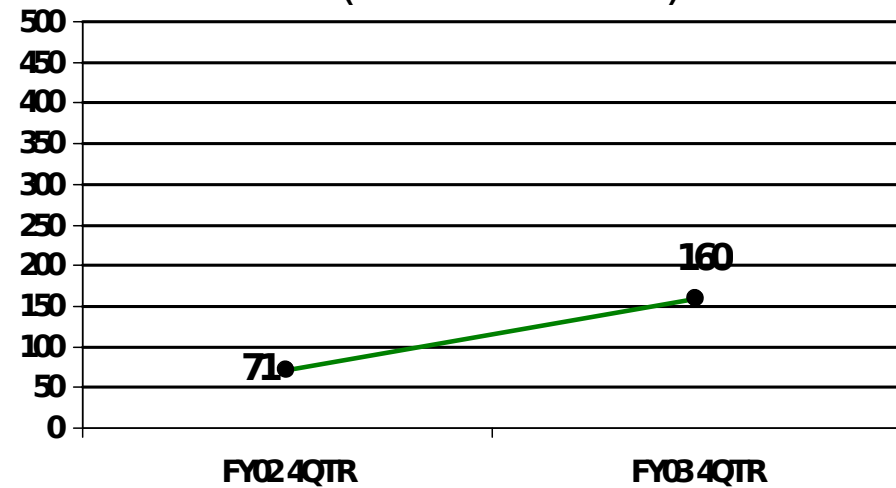
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Government Furnished Equipment on DPAS

Value
(in thousands)



Number
of Records
(in thousands)



Note: Estimated Value of Army GFE is \$5 billion

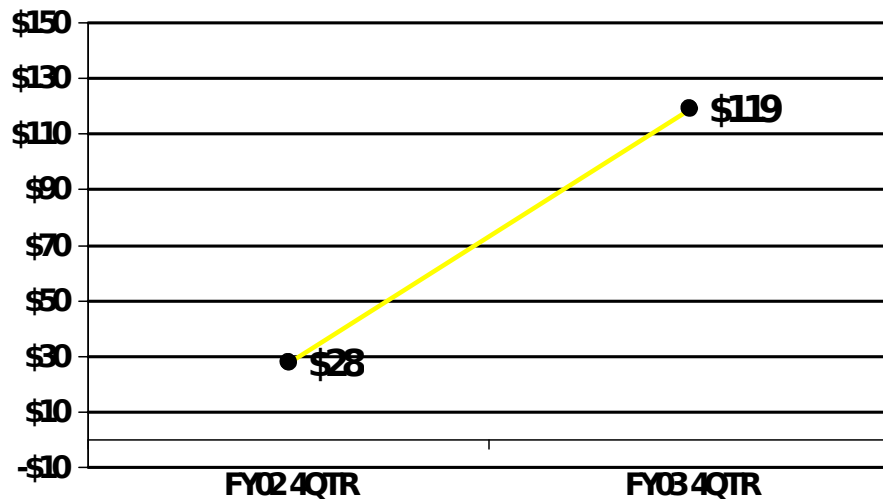


Financial Reporting Metrics Personal Property

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Internal Use Software on DPAS

Value
(in thousands)



Number
of Records





Financial Reporting Metrics Personal Property

Assets on DPAS Reported as Not Inventoried Within Three Years (as of September 2003)

Number of Records	Value of Records	Percent of Total Records
1,047,633	\$1.7 billion	12%